



AKD Investment  
Management Ltd.



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**Golden Arrow**  
SELECTED STOCKS FUND LIMITED

Accounts for the Third Quarter  
Ended March 31, 2006  
(UN-AUDITED)



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## Golden Arrow Selected Stocks Fund Limited

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### COMPANY INFORMATION

#### **BOARD OF DIRECTORS**

Mr. Ahmed Abdul Sattar	Chairman
Miss. Ayesha Aqeel Dhedhi	Director
Mr. Muhammad Ali Yacoob	Director
Mr. Taufique Habib	Director
Ms. Nausheen Rafiq Tumbi	Director
Miss. Parveen Akhtar Malik	Nominee Director of SPIAICL
Mr. Faisal Bengali	Director and Chief Executive

#### **COMPANY SECRETARY**

Mr. Muhammad Amin Hussain

#### **AUDIT COMMITTEE**

Mr. Taufique Habib	Chairman
Mr. Muhammad Ali Yacoob	Member
Miss. Ayesha Aqeel Dhedhi	Member
Mr. Rashid Ahmed	Secretary

#### **CHIEF FINANCIAL OFFICER**

Mr. Muhammad Amin Hussain

#### **INVESTMENT ADVISER**

AKD Investment Management Limited  
606, Continental Trade Centre, Block-8, Clifton, Karachi-74000

#### **CUSTODIAN**

Central Depository Company of Pakistan Limited  
8th Floor, Karachi Stock Exchange Bldg. Karachi

#### **AUDITORS**

M. Yousuf Adil Saleem & Co.  
Chartered Accountants  
Cavish Court, A-35, Block 7 & 8  
KCHSU, Sharea Faisal, Karachi.

#### **LEGAL ADVISER**

Ali Daraz Siddiqui,  
C/o. Noorallah A. Manji,  
5th Floor, Jubilee Insurance House,  
I.I. Chundrigar Road, Karachi

#### **REGISTERED OFFICE**

606, Continental Trade Centre, Block-8, Clifton, Karachi-74000

#### **REGISTRAR & SHARE TRANSFER OFFICE**

Gangjees Associates  
413, Clifton Centre, Khayaban-e-Roomi,  
Kehkashan, Block-5, Clifton, Karachi  
Tel: 5375714 – 5836920



**DIRECTOR'S REPORT**

The Board of Directors of Golden Arrow Selected Stocks Fund Limited (GASSFL) is pleased to present its report for the quarter ended March 31, 2006.

**Fund's Financial Performance**

It has been another remarkable quarter for the fund. The net income of the fund was Rs. 183.3 million translating into an EPS of Rs. 2.61. The EPS showed a growth of 46.6% compared to the same period last year.

**Investment Strategy**

The investment philosophy behind GASSFL is designed to invest in fundamentally strong companies offering deep-value, coupled with a few cherry-picked growth stocks. The fund's main focus is the equities asset class, and minor exposures are taken in fixed income and money market if equities lack opportunities.

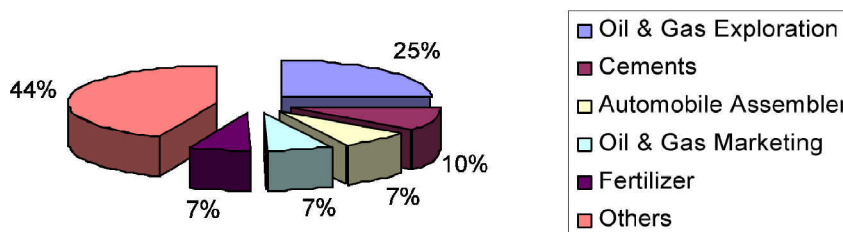
**Market Performance & Fund activity during the 3rd Quarter 2006**

The KSE100 index moved from 9,557 (30th December 2005) to 11,486 (31st March 2006) showing an increase of 20.2%. Golden Arrow's NAV (adjusted for 20% of face-value dividend announced in February '06) appreciated by 22% during the same period there by outperforming the benchmark index by 9% on relative basis.

The third quarter of fiscal year '05 ~ '06 brought much good news for the local equity market from corporate and micro/macro economic end. The finalization of PTCL / Etisalat deal and the announcement of dams kept the market buoyant. Oil and gas field discoveries in Tal block and news regarding Iran/India/Pakistan gas pipeline resulted strong but volatile bull rallies in their respective sectors.

The fund read the market trends perfectly, riding the trend during the early part of the Quarter, and booking capital gains at end of February. We booked our capital gains in telecom sector, which had become relatively expensive on valuations. The dip in mid-March provided buying opportunities to accumulate quality stocks at discounted prices, and change exposure to local demand plays including automobiles, cements and Oil & Gas marketing companies. This strategy, accompanied by exposure in high-growth sectors allowed the fund to significantly out-perform the benchmark index. As of 31st March 2006, major sector-wise weights as a share of net assets were as shown in the chart below.

**GASSFL - Sectorwise Exposure**





## Golden Arrow Selected Stocks Fund Limited

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### Asset Allocation

As of 31st March 2006, asset allocation as a share of net assets was as follows:

Equities : 82%                      Fixed Income : 5%                      Cash : 13%

### Future Outlook

Based on our analysis of micro / macro figures and latest corporate numbers, we choose to stay bullish on the Pakistani Capital markets. We are pleased to let our investors know that the 75% right issue offered during the quarter has been fully subscribed, subsequent to the reporting date. We look forward to deploying the funds in equities using our proven strategy and continue to earn investors consistent, industry leading returns.

### Announcements

We are proud to let investors of Golden Arrow Selected Stocks Fund Limited know that the fund has been awarded a rating of "MFR-5star" by JCR-VIS Credit Rating Agency. This is the highest rating achievable under the rating system. GASSFL is the only closed-end mutual fund to date to be awarded 5-stars rating. We shall strive to continue providing GASSFL investors with the best service and performance in the industry.

For and on behalf of the Board

Karachi:  
April 21, 2006

**Faisal Bengali**  
Chief Executive



### FUND MANAGER'S REPORT

#### **Fund Performance:**

The Golden Arrow Selected Stocks Fund led the mutual fund industry in performance terms during the quarter under consideration i.e. December 31st 2005 ~ March 31st 2006. The fund's NAV rose from 10.56 per certificate to 11.96 per certificate and the fund also paid-out a cash dividend of Rs. 1 per certificate during the period, bringing the total return to 22% for the period. During the same period KSE100 index gained 20.2%.

#### **Market Performance:**

The quarter under consideration was a volatile period for KSE100. The index rallied during the early part of the quarter, starting the period at 9,557 and rallying till 11,694 in mid-March. There was a much needed correction in mid-March, which brought the index down to 9,917 after which it rallied to close the period at 11,486. The strong rally during early part of the period was ideal for equity investors to make healthy gains. The peak in mid-March allowed for booking profits, and the correction provided a secondary entry point for switching to under-performing sectors. Volumes, through most of the period stayed quite healthy, around 436 million shares per day. This allowed for very smooth market action, allowing the fund an easy entry and exit.

Fundamentally, the index stayed fairly to cheaply valued, trading between 9x to 11x PE on FY07 earnings with other indicators looking very attractive.

#### **Economy:**

The macro / micro economic indicators stayed positive throughout the period. The latest CPI figure is below 7% and the Government of Pakistan has been able to raise long-term capital abroad via 10-year and 30-year bonds. This has reduced the pressure to raise cash from the market. These developments give us further confidence in topping-off of interest rates in the country.

#### **Fund Activity:**

The fund took a bullish stance in response to the positive outlook on economy and corporate sector expectations and we went long with Banking, Cements, Telecom and Oil & Gas being our favored sectors. We enjoyed the steady trend during January and February. Profits were booked at end of February, especially in telecom sector and banking sector where we had handsome gains. The dip in mid-March provided the fund with an ideal entry point for underperforming sectors like Oil & Gas Exploration and local demand plays like Cement. Our top 5 holdings on 31st March '06 were: Pakistan Oilfields - 9.29%. Pakistan Petroleum Ltd - 8.55% Oil & Gas Development Co. - 7.03% Lucky Cement - 5.15% and Maple Leaf Cement - 5%.

The fund's asset allocation is as follows:

Equities: 82%                      Fixed income: 5%                      Cash: 13%



## Golden Arrow Selected Stocks Fund Limited

### STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2006

	Note	Unaudited March 31, 2006 (Rupees in '000')	Audited June 30, 2005
<b>ASSETS</b>			
Bank balances		85,556	73,556
Receivable against sale of securities		55,936	14,484
Investment in marketable securities	4	726,825	548,147
Dividend receivable		5,715	1,141
Other assets		4,915	1,640
<b>Total Assets</b>		<b>878,947</b>	<b>638,968</b>
<b>LIABILITIES</b>			
Payable against purchase of marketable securities		2,839	-
Remuneration payable to investment adviser		10,839	8,935
Accrued expenses and other liabilities		8,116	678
Unclaimed dividend		17,002	3,016
<b>Total Liabilities</b>		<b>38,796</b>	<b>12,629</b>
<b>NET ASSETS</b>		<b>840,151</b>	<b>626,339</b>
<b>SHARE CAPITAL &amp; RESERVES</b>			
<b>Authorized capital</b>			
140,000,000 (June 30, 2005: 140,000,000) ordinary shares of Rs. 5/- each		700,000	700,000
<b>Issued, Subscribed &amp; Paid up Capital</b>			
70,233,002 (June 30, 2005: 70,233,002) ordinary shares of Rs. 5/- each		351,165	351,165
General reserve		500	500
Unrealized appreciation in market value of securities classified as 'available for sale'		51,008	24,698
Unappropriated profit		437,478	249,976
		<b>840,151</b>	<b>626,339</b>

The annexed notes from 1 to 7 form an integral part of these financial statements.

**Faisal Bengali**  
Chief Executive Officer

**Taufique Habib**  
Director



## Golden Arrow Selected Stocks Fund Limited

### INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER AND NINE MONTH ENDED MARCH 31, 2006

	Nine Month Ended		Quarter Ended	
	July-05 Mar-06	July-04 Mar-05	Jan to Mar 2006	Jan to Mar 2005
	Note -----(Rupees in '000)-----			
<b>Income</b>				
Net capital gain on sale of marketable securities	300,464	156,936	191,165	147,913
Dividend income	27,060	15,827	7,550	8,077
Unrealized gain/(loss) on remeasurement of held for trading securities	79,265	5,113	(16,968)	(28,120)
Profit on term finance certificates	843	610	278	280
Profit on deposit accounts	6,374	787	4,266	22
Other income	101	327	-	319
	414,107	179,600	190,291	128,491
<b>Operating expenses</b>				
Administrative	1,807	2,574	1,124	431
Remuneration to investment adviser	10,839	6,036	4,209	2,965
Annual fee to SECP	542	309	210	152
Remuneration to auditors	131	101	64	34
Securities transaction cost	2,577	-	1,414	-
Bank commission and charges	9	1,094	6	2
	15,905	10,114	7,027	3,584
<b>Profit before taxation</b>	398,202	169,486	183,264	124,907
<b>Taxation</b>	5	-	-	-
<b>Profit for the period</b>	398,202	169,486	183,264	124,907
<b>Basic earnings per share - Rupees</b>	5.67	2.41	2.61	1.78

The annexed notes from 1 to 7 form an integral part of these financial statements.

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Faisal Bengali  
Chief Executive Officer

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Taufique Habib  
Director





## Golden Arrow Selected Stocks Fund Limited

### STATEMENT OF MOVEMENT IN EQUITY AND RESERVES (UN-AUDITED) FOR THE NINE MONTH ENDED MARCH 31, 2006

	Share capital	General reserve	Unrealised appreciation in available for sale securities	Un-appropriated profit	Net assets
	----- (Rupees in '000') -----				
<b>Balance as at July 01, 2004</b>	100,502	500	-	106,805	207,807
Right issue	230,563	-	-	-	230,563
Bonus issue	20,100	-	-	(20,100)	-
<b>Profit for the period</b>					
Capital gain on sale of marketable securities	-	-	-	156,936	156,936
Gain recognized on remeasurement of marketable securities	-	-	-	5,113	5,113
Other income for the year - net of operating expenses and taxation	-	-	-	7,437	7,437
	-	-	-	169,486	169,486
Unrealised appreciation in available for sale securities	-	-	28,908	-	28,908
Final dividend for the year ended June 30, 2004	-	-	-	(17,588)	(17,588)
<b>Balance as at March 31, 2005</b>	<b>351,165</b>	<b>500</b>	<b>28,908</b>	<b>238,603</b>	<b>619,176</b>
<b>Profit for the period</b>					
Capital gain on sale of marketable securities	-	-	-	7,144	7,144
Gain recognized on remeasurement of marketable securities	-	-	-	3,222	3,222
Other income for the year - net of operating expenses and taxation	-	-	-	1,007	1,007
	-	-	-	11,373	11,373
Unrealised depreciation in available for sale securities	-	-	(4,210)	-	(4,210)
<b>Balance as at July 01, 2005</b>	<b>351,165</b>	<b>500</b>	<b>24,698</b>	<b>249,976</b>	<b>626,339</b>
<b>Profit for the period</b>					
Capital gain on sale of marketable securities	-	-	-	300,464	300,464
Gain recognized on remeasurement of marketable securities	-	-	-	79,265	79,265
Other income for the year - net of operating expenses and taxation	-	-	-	18,473	18,473
	-	-	-	398,202	398,202
Unrealised appreciation in available for sale securities	-	-	26,310	-	26,310
Final dividend for the year ended June 30, 2005	-	-	-	(140,467)	(140,467)
Interim dividend for the period ended December 31, 2005	-	-	-	(70,233)	(70,233)
<b>Balance as at March 31, 2006</b>	<b>351,165</b>	<b>500</b>	<b>51,008</b>	<b>437,478</b>	<b>840,151</b>

The annexed notes from 1 to 7 form an integral part of these financial statements.

**Faisal Bengali**  
Chief Executive Officer

**Taufique Habib**  
Director



## Golden Arrow Selected Stocks Fund Limited

### CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2006

	March 31, 2006	March 31, 2005
	(Rupees in '000')	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	398,202	169,486
<b>Adjustments for non cash item:</b>		
Gain recognized on remeasurement of held for trading securities	(79,265)	(5,113)
	318,937	164,373
<b>(Increase)/decrease in assets</b>		
Receivable against sale of securities	(41,452)	(59,901)
Investment in marketable securities	(73,103)	(266,582)
Dividend receivable	(4,574)	(7,046)
Other assets	(3,275)	7,188
	(122,404)	(326,341)
<b>Increase/(decrease) in liabilities</b>		
Payable against purchase of securities	2,839	30,167
Remuneration payable to investment adviser	1,904	2,816
Accrued expenses and other liabilities	7,437	148
	12,180	33,131
Cash generated/(used in) from operations	208,713	(128,837)
Tax paid	-	(306)
<b>Net cash from/(used in) operating activities</b>	<b>208,713</b>	<b>(129,143)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share capital issued	-	230,563
Dividend paid	(196,713)	(15,744)
<b>Net cash(used in)/from financing activities</b>	<b>(196,713)</b>	<b>214,819</b>
<b>Net decrease in bank balances during the period</b>	<b>12,000</b>	<b>85,676</b>
<b>Bank balances at the beginning of the period</b>	<b>73,556</b>	<b>41,047</b>
<b>Bank balances at the end of the period</b>	<b>85,556</b>	<b>126,723</b>

The annexed notes from 1 to 7 form an integral part of these financial statements.

Faisal Bengali  
Chief Executive Officer

Taufique Habib  
Director



**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH ENDED MARCH 31, 2006**

**1. STATUS AND NATURE OF BUSINESS**

The Company was incorporated on May 09, 1983 in Pakistan as a public limited company under Companies Repealed Act, 1913 (now Companies Ordinance, 1984) with registered office in Karachi, Sindh. The Company is listed on Karachi and Lahore Stock Exchanges. The Company is a closed-end mutual fund and its principal activity is to make investment in marketable securities.

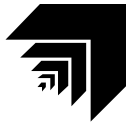
**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with requirements of Companies Ordinance, 1984, the NBFC Rules, directives issued by the Securities & Exchange Commission of Pakistan and approved accounting standards as applicable in Pakistan. Approved Accounting Standards comprise of such International Accounting Standards (IAS) as are notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984, the NBFC Rules or directives issued by SECP differ with the requirements of these standards, the requirements of Companies Ordinance, 1984, NBFC Rules and the said directives take precedence. The disclosure made in these financial statements have, however, been limited based on the requirements of International Accounting Standard 34, Interim Financial Reporting.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation followed for the preparation of these financial statements are the same as those applied in preparing the financial statements for the year ended June 30, 2005, except for the following:-

- 3.1** Upto last year, investments classified as "held for trading" were measured at cost including transaction costs associated with the investments. International Accounting Standard - 39 (IAS 39) "Financial Instruments: Recognition and Measurement" has been revised and made effective on the financial statements beginning on or after January 01, 2005. According to the revision, held for



## Golden Arrow Selected Stocks Fund Limited

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trading investments are initially measured at fair value hence transaction costs are not to be included in carrying amount of the investments but charged as expenses. The management has, during the period, changed the accounting policy for initial measurement of held for trading investments to bring it in line with the IAS 39, therefore, corresponding information for the prior periods needs to be restated. The prior period's financial data was collected in such a way that it does not allow retrospective application of the new accounting policy and it is impracticable to recreate the information. Therefore, the new accounting policy has been applied from the current year without restating prior period figures. There is no effect on un-appropriated profit upto last year because at each balance sheet date the investments were measured and carried at fair value.

**March 31,      June 30,**  
**2006              2005**  
**(Rupees in '000')**

#### 4. INVESTMENT IN MARKETABLE SECURITIES

Held for trading (note 4.1)	620,974	421,022
Available for sale (note 4.2)	<u>105,851</u>	<u>127,125</u>
	<u>726,825</u>	<u>548,147</u>



## Golden Arrow Selected Stocks Fund Limited

### 4.1 MARKETABLE SECURITIES HELD FOR TRADING

(Face value of Rs. 10/- each unless otherwise stated)

Name of the investee	Number of shares/certificates			Balance as at March 31, 2006			Percentage in relation to				
	Opening balance	Purchases	Sales / Bonus / right issue	Cost (Rs. '000')	Book value (Rs. '000')	Market value per share/certificate (Rs. '000')	Market value (Rs. '000')	Unrealised gain/ (loss) (Rs. '000')	Total book value of Investment	Own net assets	Investee paid up capital (Face value)
<b>Open End Mutual Funds</b>											
United Mory Market Fund	-	682,061	-	-	-	-	-	-	-	-	-
<b>Modarabas</b>											
First Al-Noor Modaraba	127,500	-	41,500	729	609	6.50	559	(50)	0.10	0.07	0.41
First Habib Bank Modaraba	50,763	-	263	547	631	10.05	508	(124)	0.10	0.06	0.13
Guardian Modaraba	279,000	70,000	-	3,557	3,252	10.45	3,647	396	0.53	0.43	1.43
<b>Investment Banks / Investment Companies / Sec. Companies</b>											
Escorts Investment Bank Limited	237,500	-	184,000	803	591	16.95	995	404	0.10	0.12	0.19
First International Investment Bank Ltd.	77,398	-	2,000	906	829	15.80	1,191	362	0.13	0.14	0.18
<b>Commercial Banks</b>											
Bank Al-Falah Limited	86,600	554,000	640,600	-	-	-	-	-	-	-	-
The Bank of Punjab	-	325,000	325,000	-	-	-	-	-	-	-	-
National Bank of Pakistan Limited	225,000	250,000	475,000	-	-	-	-	-	-	-	-
United Bank Limited	-	546,300	576,300	-	-	-	-	-	-	-	-
Faysal Bank Limited	180,000	-	198,000	-	-	-	-	-	-	-	-
Askari Commercial Bank Limited	-	250,000	250,000	-	-	-	-	-	-	-	-
Muslim Commercial Bank Limited	-	225,000	225,000	-	-	-	-	-	-	-	-
Union Bank Limited	-	380,000	380,000	-	-	-	-	-	-	-	-
<b>Textile Spinning</b>											
Gadon Textile Mills Limited	65,700	-	-	4,197	5,387	83.00	5,453	66	0.87	0.65	0.27
Gulshan Spinning Mills Limited	100,075	-	39,000	813	1,098	14.00	855	(243)	0.18	0.10	0.48



## Golden Arrow Selected Stocks Fund Limited

Name of the investee	Number of shares/certificates		Balance as at March 31, 2006		Unrealised gain/(loss) (Rs. '000')	Percentage in relation to						
	Opening balance	Purchases	Sales	Bonus/right issue		Closing balance	Cost (Rs. '000')	Market value per share/certificate (Rs. '000')	Market value (Rs. '000')	Total book value of Investment	Own net assets	Investee paid up capital (Face value)
<b>Textile Composite</b>												
Artistic Denim Mills Limited	-	67,800	47,900	-	19,900	4,468	213.90	4,437	4,257	0.72	0.51	0.14
Azgard Nine Textile Limited	95,000	64,500	159,500	-	-	-	-	-	-	-	-	-
Gul Ahmed Textile Mills Limited	27,000	-	10,300	5,400	22,100	1,142	55.10	1,061	1,218	0.17	0.14	0.05
Ishaq Textile Mills Limited	57,500	-	57,500	-	-	-	-	-	-	-	-	-
Nishat (Chunari) Limited	105,000	-	105,000	-	-	-	-	-	-	-	-	-
Nishat Mills Limited	70,000	475,400	545,400	-	104,500	3,543	41.00	5,225	4,285	0.84	0.51	0.58
Suraj Cotton Mills Limited	104,500	-	100,000	-	-	-	-	-	-	-	-	-
Chunab Limited	-	100,000	-	-	-	-	-	-	-	-	-	-
<b>Synthetics &amp; Rayon</b>												
Dewan Salman Fibre Limited	441,500	-	441,500	-	-	-	-	-	-	-	-	-
<b>Sugar and Allied Industries</b>												
Tandianwala Sugar Mills Limited	-	378,000	67,500	-	310,500	5,592	21.10	5,588	6,552	0.90	0.78	0.444
JDW Sugar	-	10,000	-	-	10,000	949	95.35	949	954	0.15	0.11	0.038
<b>Cement</b>												
D.G. Khan Cement Company Limited	-	1,428,000	1,428,000	-	-	-	-	-	-	-	-	-
Dewan Hattar Cement Limited (Saadi)	214,000	-	214,000	-	-	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	1,500,000	1,500,000	-	-	-	-	-	-	-	-	-
Lucky Cement Limited	-	1,150,000	796,500	-	353,500	39,835	122.35	39,836	43,251	6.44	5.15	0.134
Maple Leaf Cement Factory Limited	-	1,529,000	529,000	-	1,000,000	46,022	42.00	45,967	42,000	7.43	5.00	0.336
Dewan Cement Limited	-	419,000	419,000	-	-	-	-	-	-	-	-	-
<b>Refinery</b>												
National Refinery Limited	27,500	-	27,500	-	7,500	2,157	300.00	2,153	2,250	0.35	0.27	0.030
Pakistan Refinery Limited	-	20,300	12,800	-	-	-	-	-	-	-	-	-
<b>Glass and Ceramics</b>												
Tariq Glass Industries Limited	-	102,000	-	-	102,000	3,142	39.25	3,142	4,004	0.51	0.48	0.927



## Golden Arrow Selected Stocks Fund Limited

Name of the investee	Number of shares/certificates			Balance as at March 31, 2006			Unrealised gain/(loss) (Rs.'000')	Percentage in relation to		Investee paid up capital (Face value)
	Opening balance	Purchases	Sales/Bonus/right issue	Closing balance	Cost (Rs.'000')	Book value (Rs.'000')		Market value per share/certificate (Rs.'000')	Total book value of Investment	
<b>Power Generation &amp; Distribution</b>										
Hub Power Company Limited	405,500	-	405,500	-	-	-	-	-	-	-
Kor Addu Power Company Limited	498,100	150,000	50,000	598,100	25,613	23,389	26,257	43.90	3.78	0.07
<b>Oil and Gas Marketing Companies</b>										
Pakistan State Oil Company Limited	30,000	110,000	90,000	50,000	19,411	19,380	18,650	373.00	3.13	0.03
Shell Pakistan Limited	9,000	8,200	20,200	3,000	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	-	825,000	548,700	276,300	28,082	28,076	32,742	118.50	4.54	0.06
Sui Southern Gas Company Limited	225,000	700,000	700,000	225,000	6,131	6,108	9,281	41.25	0.99	0.03
<b>Oil and Gas Exploration Companies</b>										
Oil and Gas Development Comp. Ltd	400,000	1,475,000	1,500,000	375,000	56,498	56,392	59,100	157.60	9.11	0.01
Pakistan Oilfields Limited	150,000	220,000	245,000	125,000	58,044	57,958	78,063	624.50	9.36	0.10
Pakistan Petroleum Limited	160,000	450,000	345,000	265,000	65,162	64,998	71,868	271.20	10.50	0.04
<b>Automobile Assembler</b>										
Al-Ghazi Tractor Limited	22,000	-	-	22,000	3,199	3,235	4,505	204.75	0.52	0.10
Indus Motor Company Limited	183,300	500	30,000	153,800	16,222	13,875	28,799	187.25	2.24	0.20
Pak Suzuki Motor Company Limited	52,800	58,700	-	111,500	20,307	18,871	28,767	258.00	3.05	0.21
<b>Automobile Parts and Accessories</b>										
Agrauto Industries Limited	200,000	-	200,000	-	-	-	-	-	-	-
<b>Cable and Electrical Goods</b>										
Pak Elektron Limited	-	193,000	-	208,000	9,243	9,243	13,988	67.25	1.49	0.340
<b>Transport</b>										
Pakistan National Shipping Corp.	100,000	25,000	-	135,000	7,987	12,847	12,312	91.20	2.08	0.10
Pakistan International Containers Ltd	-	43,500	43,500	-	-	-	-	-	-	-
Pakistan International Airlines Corp.	-	800,000	800,000	-	-	-	-	-	-	-



## Golden Arrow Selected Stocks Fund Limited

Name of the investee	Number of shares/certificates			Balance as at March 31, 2006			Percentage in relation to					
	Opening balance	Purchases	Sales/Bonus/right Issue	Closing balance	Cost (Rs. '000')	Book value (Rs. '000')	Market value per share/certificate (Rs. '000')	Market value (Rs. '000')	Unrealised gain/(loss) (Rs. '000')	Total book value of Investment	Own net assets	Investee paid up capital (Face value)
<b>Technology and Communication</b>												
Callmate Telips Telecom Limited	601,000	-	674,000	73,000	-	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	250,000	1,198,300	950,000	-	31,974	31,905	65.65	32,713	809	5.16	3.89	0.01
Southern Network Limited	150,000	-	-	150,000	1,404	1,283	6.50	975	(308)	0.21	0.12	0.30
Pak Data Com	-	64,000	20,000	44,000	3,394	3,388	84.40	3,714	326	0.55	0.44	0.62
<b>Fertilizers</b>												
Engro Chemicals Pakistan Limited	123,200	250,000	308,200	-	9,191	8,886	208.00	13,520	4,634	1.44	1.61	0.04
Fauji Fertilizer Company Limited	173,305	235,076	270,381	37,000	22,431	22,436	134.65	23,564	1,127	3.63	2.80	0.04
Fauji Fertilizer Bin Qasim	-	350,000	350,000	-	-	-	-	-	-	-	-	-
<b>Pharmaceutical</b>												
Glaxosmithkline Limited	31,500	-	6,500	31,250	4,585	4,397	186.50	5,828	1,431	0.71	0.69	0.03
Wyeth Pak. Ltd. (Face value Rs.100)	1,700	-	1,700	-	-	-	-	-	-	-	-	-
<b>Chemicals</b>												
ICI Pakistan Limited	162,700	280,900	443,600	-	-	-	-	-	-	-	-	-
<b>Paper and Board</b>												
Packages Limited	51,538	7,400	25,000	33,938	3,762	4,770	209.00	7,093	2,323	0.77	0.84	0.05
<b>Food and Personal Care Products</b>												
Treet Corporation Limited	14,983	-	-	14,983	1,835	5,919	319.20	4,783	(1,136)	0.96	0.57	0.36
Unilver Pakistan Limited	-	2,000	-	2,000	3,660	3,660	1,830.00	3,660	-	0.59	0.44	0.00
<b>Jute</b>												
Thall Limited(Face value Rs. 5)	-	85,000	-	85,000	18,612	18,585	203.80	17,323	(1,262)	3.00	2.06	1.22









## Golden Arrow Selected Stocks Fund Limited

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### 5. TAXATION

The Company is exempt from tax under clause 99 of part 1 of Second Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains whether realized or unrealized, is distributed among its shareholders. The management intends to avail the tax benefit at the year end, therefore no provision for tax has been made in these financial statements.

The Company is also exempt from the provisions of section 113 (minimum tax) under clause 11 of Part IV of the Second Schedule of the income Tax Ordinance, 2001.

March 31, 2006	March 31, 2005
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(Rupees in '000')

### 6. TRANSACTIONS WITH CONNECTED PERSONS

Remuneration for services to investment adviser- an associated company	<u>10,839</u>	<u>6,036</u>
Sales through associated company	<u>41,586</u>	<u>153,535</u>
Purchases through associated company	<u>122,296</u>	<u>270,946</u>

### 7. GENERAL

7.1 These financial statement were authorized for issue on April 21, 2006 by the Board of Directors of the Company.

7.2 Figures have been rounded off to the nearest thousand rupees.

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Faisal Bengali  
Chief Executive Officer

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Taufique Habib  
Director

Accounts for the  
Third Quarter Ended  
March 31, 2006

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